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The International Labor Office is the permanent secretariat of the 149-member International Labor Organization, a United Nations specialized agency.

The elderly: an intolerable burden?

Declining birth rate, longer life span: in Europe the two phenomena combine to erode the base of the traditional age pyramid making the top heavier and at the same time weakening the foundations of pension schemes.

By 2025, in the European community countries alone, the number of people over 65 years of age is expected to increase by 21 million while that of potentially active young people between 20 and 39 years is expected to decline by over 15 million.

How can a shrinking active population provide protection tomorrow for a growing number of the non-working? Such is the question being posed by social security officials in all European countries and which a recent ILO study* attempts to answer.

Based on a very complete aggregate of data and statistical projections, the study also examines two other areas of social security linked to demographic evolution: measures in aid of the family and their possible impact on the birth rate, and the provision of health care together with the problem of controlling its cost.

Photo J Maillard ILO

Ageing is already a reality in most European countries, especially those of the European Economic Community (EEC), the authors note at the outset: for example, more than 13 per cent of the inhabitants are aged over 65 in Belgium, Denmark, Germany, Greece, Italy, Luxembourg and the United Kingdom.

The trend toward an intensification of the phenomenon seems particularly marked in northern Europe, whose global population figure will diminish from 17.6 million to 17.3 million by 2025. Sweden, for example, will lose more than 600,000 inhabitants while experiencing an increase of nearly 300,000 in the number of those over 65 years old. Finland, still a relatively young country, will see the level of ageing of those over 65 rise from 12.3 per cent in 1985 to 21 per cent in 2025.

The evolution will be just as spectacular in Austria and Switzerland where, according to the study, the proportion of elderly people will go from 14 per cent in 1985 (already a high figure) to 22 per cent in 2025 while the proportion of young people under 20 years of age will shrink by a significant 23 per cent.

The Soviet Union, which today has a total of 280 million inhabitants as compared to 541 million for the rest of Europe, will experience a population increase of 32 per cent to reach 368 million in 2025, 39 million more than in the EEC at that date. Despite the ageing tendency – marked by a distinct decline of the proportion of young people under 20 years – the general growth is expected to prevent the percentage of older inhabitants from rising too much, observes the study.

Even within each large population group – the young, the economically active aged 20 to 59, and the elderly – some significant developments, fraught with consequences, have begun or are foreseeable. Thus, the ranks of the oldest of the economically active (40-59 years) should increase by 9.3 million by 2025, while the group of potentially active young people (20-39 years) is expected to decline by 15.1 million between 1985 and 2025. In the Netherlands, the ratio of the age group 40-59 to the age group 20-39 is expected to almost double in 40 years, increasing from 66 : 100 to 123 : 100. Denmark will experience a similar evolution.

In the over-65 age group, the oldest segment – 80 years and over – which needs the most care, will continue to grow in relation to the other segment and to the whole population. In the EEC, it is expected there will be more than 13 million persons in this age category in 2025, an increase of 4.3 million in 40 years. In Switzerland, while one person in four will be over 65 years old, the ratio of the over-80s to the 65-79 years group should reach 31 : 100. Germany and Italy will also be notably affected by the phenomenon.

Demographic ageing is not, however, an inescapable phenomenon, the authors of the study point out. Social security, by means of benefits in favor of families, can play a role if not to reverse, at least to slow down this pro-

Continued on page 7

Governing Body: focus on human rights

Calls for strengthening of human rights in countries which have undergone a change of régime were made by the ILO Governing Body at its May-June session.

The Governing Body took note of the reports of two Commissions of Inquiry set up to examine complaints regarding employment discrimination in Romania and breach of Conventions on freedom of association in Nicaragua.

Discrimination against minorities: The change of régime that took place in Romania in December 1989 led to eliminating discrimination in employment and occupation for many Romanian citizens on the grounds of their political opinion, their social origin, their religion and particularly their national extraction and race. However, all forms of discrimination have not disappeared and some – for example that against the rom (gypsy) community – have even worsened. Much, therefore, remains to be done before "achieving a true state of law" in Romania.

Such are the main conclusions reached by the Commission of Inquiry which examined a complaint made by delegates to the 1989 Session of the ILO Conference, alleging non-observance by Romania of ILO Convention (No. 111) on discrimination (employment and occupation). Unlike the former régime, which had disputed the authority of the Commission and denied the existence of discrimination in Romania, the new government co-operated with the enquiry and accepted on-the-spot visits.

Under the former régime, the yardstick of political opinion was used for retaliatory dismissal, the conclusions say. Discrimination based on national extraction and race was also "widespread".

After noting the positive measures taken by the new government as well as the many problems that remain to be solved (among others the discriminatory behavior of national and local authorities, the continuing requirement of personal files for all workers, an unequal language policy, campaigns and persecution against the rom minority), the report speaks of the need for "a general context of equality of opportunity and treatment without which the full application of Convention No. 111 would be illusory." This will depend on fulfilment of two conditions: respect for the rule of law and development of a climate of tolerance.

On this basis and in the framework of a true democracy, the government should adopt measures aimed chiefly at:

– dismantling all instruments of the policy of assimilation and discrimination against members of minority groups;

– putting an end to the effect of discriminatory measures in employment;

– reinstating the workers who lost their jobs;

– promoting an attitude of conciliation between the Romanian majority and minorities, and

– improving the situation of the Roma in employment, education and housing and other respects, in collaboration with their representatives.

Murder and physical aggression: A Commission of Inquiry had been set up by the Governing Body to examine a complaint alleging infringement by Nicaragua of ILO Conventions on freedom of association, collective bargaining and tripartite consultation, including instances of murder and physical aggression, filed by a number of employer representatives. A change of government took place in the country after the Commission had been set up, following the defeat at general elections of the National Sandinista Front (FSLN) Party.

The new government has received the support of the employer and worker organizations which had had serious problems or suffered discrimination and persecution under the previous government.

The Commission's report says that several of the former government's actions were contrary to the provisions of the ILO's Freedom of Association and Protection of the Right to Organize Convention (No. 87). For example, expropriation of land was influenced by the fact that the owners were employers' leaders who were strongly opposed to, or critical of, the government. The fact that rural workers still do not have the right to set up trade unions under the Labor Code also constitutes an infringement of the Convention. The provisions restricting the right to strike which are incompatible with Convention No. 87 have remained and continue to remain in force. COSEP, the Supreme Council of Private Enterprise, was discriminated against as a representative employers' organization by the government when the Code itself was prepared and in tripartite consultations on economic and social matters. The findings of the Commission further show that lack of consultation of COSEP with respect to ILO standards was an infringement of the provisions of the Tripartite Consultation (International Labor Standards) Convention (No. 144).

Recalling that "the establishment and operation of occupational organizations are a central part of the structure of society" and a way of ensuring balance between economic and social matters, the report recommends legislative reform embodying recognition of the right of association of employers, workers, state servants, independent workers and persons employed in family workshops, as well as recognition of the right of employers and workers to set up organizations of their own choosing and to organize their own activities. Collective bargaining should be promoted.

More generally, the Commission urges the Nicaraguan authorities to reform legislation with a view to increasing the security of persons and strengthening respect for judicial safeguards, guaranteeing freedom of opinion and expression.

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The Costa Rican government was urged to reform legislation to guarantee that "solidarist" associations do not interfere with trade union activities.

After receiving the report of an ILO mission to Costa Rica, the Governing Body decided that "the interference of solidarist associations in trade union activities including collective bargaining, through direct settlements signed between an employer and a group of non-unionized workers...does not promote collective bargaining" as set out in ILO standards. It noted the Government's intention to introduce legislation to ensure a separation of functions between unions and solidarist associations.

Following a representation by the Federation of Egyptian Trade Unions, the Governing Body asked the Government of Iraq among other measures to pay the amounts owed to the Egyptian workers who returned to their country before and after the invasion of Kuwait. The International Labor Office is ready to help both Egypt and Iraq determine the number of workers involved and the amounts owed to them. A tripartite committee had been set up by the Governing Body in November 1990 to examine the representation, which also contained allegations on non-observance by Iraq of ILO Conventions on abolition of forced labor, discrimination in employment and occupation, and equality of treatment in social security. Following the committee's conclusions, the Governing Body also asked the Iraqi government to repeal provisions which prevent workers from terminating their employment with reasonable notice, and which provide for penalties involving compulsory labor as a disciplinary measure.

A Fact-finding and Conciliation Commission was appointed to examine a complaint against South Africa submitted by the Congress of South African Trade Unions, alleging infringement of trade union rights. ■

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Social justice in a changing world of work

Photo: J. Maillard/ILO

Against a background of sweeping change in the working world, the International Labor Conference concluded its 78th session in Geneva in June with calls for tripartite action to create better social protection and working conditions for millions of workers, to guarantee social justice in the economic restructuring process and to boost incomes and employment in third World agriculture.

The Conference adopted an International Labor Convention and a supporting Recommendation designed to improve working conditions in the rapidly expanding hotels and restaurants sector.

A first discussion paved the way for the adoption next year of standards on the protection of workers' claims in the event of the insolvency of their employer.

The Conference monitored the application of ILO standards in all parts of the world and reaffirmed the need for continued action to eliminate apartheid and build a multi-racial democracy in South Africa.

Some 2,000 government, employer and worker delegates from 141 ILO member States debated means of improving the conditions and productivity of 300 million workers in the informal sector without impairing the sector's capacity to absorb employment.

A general discussion focused on ways of maximising the potential of new agricultural technology for reducing poverty, raising incomes and creating employment.

The Conference heard an affirmation from Mr. Michel Camdessus, Managing Director of the International Monetary Fund, that social progress must be a central component of restructuring policy.

A special sitting discussed the Director-General's report on the situation of workers of the occupied Arab territories. Speakers drew attention to a serious deterioration of the economy and of employment in the territories; they urged that Palestinian workers' organizations be recognized and enabled to exercise freely their trade union activities, and called for measures to promote the economic development of the territories.

The Organization's $405.7 million program and budget for the 1992-93 biennium – giving priority to action on human rights, employment, equality, child labor and the environment – was adopted unanimously. ■

Hotels and restaurants

The Conference adopted a Convention and Recommendation on Hotels, Restaurants and Similar Establishments with the aim of enhancing working conditions, training and career prospects in this sector. These standards will apply to workers employed by a rapidly-growing industry with a permanent need for qualified and experienced personnel.

The Convention, which was adopted by 263 votes in favour, with 133 abstentions, is very flexible in scope, and foresees the possibility of extension to other related establishments providing tourism services, or the exclusion of certain types of establishments or categories of workers.

The workers concerned should be entitled to reasonable normal hours of work, a term which means the time during which a worker is at the disposal of the employer. They should also be provided with reasonable minimum daily and weekly rest periods, and compensated in time or remuneration for work on public holidays.

The Convention says that regardless of tips the workers concerned shall receive a basic remuneration that is paid at regular intervals. The sale and purchase of employment should be prohibited.

The Recommendation gives further detailed indications on hours of work, rest periods and training. It stipulates progressive elimination of split shifts wherever practicable, a weekly uninterrupted rest period of not less than 36 hours, and an average daily rest period of ten uninterrupted hours. Measures fixing normal hours of work and overtime should be the subject of consultations between the employer and the workers concerned or their representatives.

Where paid annual holidays are less than four weeks for one year of service, steps should be taken to bring them progressively to that level. ■

Protection of workers' claims

Measures to improve the protection of workers' claims in the event of the insolvency of their employer are envisaged in draft conclusions with a view to the adoption of a Convention and Recommendation on this theme next year.

Since the last standards were adopted over 40 years ago, greater value has been placed on the rehabilitation of insolvent enterprises, the conclusions observe. Because of the social consequences of insolvency, efforts should be made where possible to rehabilitate the enterprise and safeguard employment.

The proposed Convention would be in two parts, one relating to the protection of work-

Continued on page 4

READEX FICHE

Agricultural technology

The Conference stressed the enormous potential for increases in production, poverty alleviation and reduction of inequalities offered by modern agricultural technologies: mechanization, the Green Revolution, and biotechnology. But it also mentioned the need to reorient research towards the needs of developing countries, to maintain genetic diversity and to avoid or minimize the possible negative impact of these technologies on employment and workers' health, safety and environment.

Outlining international action, the Conference emphasized the role of international research centers and the need to share technological information, for example on health hazards, between industrialized and developing countries. The conclusions also recommend an increase in publicly-funded research, co-operation between the public and private sectors, and direct collaboration among the private and public sectors of developed and developing countries.

For developing countries, the main challenge is to increase agricultural productivity while aiming at high levels of rural employment. In order to extend the benefits of the Green Revolution to regions so far neglected, notably Africa, the Conference spelled out such requirements as creation of infrastructures, including irrigation and drainage, the need to involve employers and workers in training policies, the role of co-operative societies in disseminating technology among small farmers, and the use of indigenous farming knowledge.

On biotechnology, it stressed its "socially beneficial" applications and the development of drought-resistant varieties, with an emphasis on traditional crops that form the staple food basket of many of the poor. ■

Dismantling apartheid

Noting that the present state of violence in South Africa is a stumbling-block in the process of negotiation, the Conference called on all interested parties to end the violence. The South African Government, it said, should accept its ultimate responsibility for peace and stability in the country.

Adopting by 317 votes, 2 against and 67 abstentions the report of its Committee on Action against Apartheid, the Conference called for maintenance of all existing sanctions against South Africa, while urging the Government to accelerate the process of negotiations toward the total dismantling of apartheid and the creation of a non-racial, democratic society.

All governments, employers' and workers' organizations and the ILO should "make a special effort to promote the total implementation of all the recommendations" contained in the ILO's Declaration on Action against Apartheid and the Program of Action annexed to it, from which it decided to delete all references to Namibia.

The ILO should convene within twelve months an international tripartite conference in and for the southern African subregion, which would study concrete proposals for regional integration and review the current situation in South Africa, with a view to making suggestions to the next session of the ILO Conference on further action to be taken in the light of circumstances.

Referring to "the changes taking place in South Africa", the Conference welcomed the repeal of Acts considered to be the pillars of apartheid, and noted with satisfaction that the South African employers' and workers' organizations, together with the Government, had agreed to restore the rights which were curbed by the Labor Relations Amendment Act.

However, it said, these changes "have not as yet affected the fundamental bases of apartheid". All ILO constituents should increase their effort to explain the true situation and put pressure on the Government of South Africa to apply all agreements concluded with anti-apartheid movements, concerning release of all political and trade union prisoners and return of exiles.

The ILO, for its part, should respond effectively and rapidly to requests from the democratic South African workers' organizations for technical co-operation assistance, although this should not constitute in any way "a violation of the policy to maintain sanctions." When a non-racial employers' organization is created, it should equally benefit from ILO technical assistance. ■

Standards 'a common goal'

Photo: J. Maillard/ILO

Full adherence to international labor standards should be a common goal in the new world situation, Indonesia's Minister of Manpower Cosmas Batubara said on his election as Conference President.

Dramatic changes throughout the world had created an expectation that detente would lead to a permanently more peaceful world. Now that the role of the United Nations agencies in the search for concrete forms of a more fair world order was universally recognized, the ILO was placed in a new environment and must adjust to meet the emerging challenges and opportunities.

"Dialogue based on partnership and co-operation between governments, employers and workers remains an indispensable component in the success of our Organization and of our respective national development efforts," he declared.

Vice-presidents were Mr. Lajos Hethy (government, Hungary), Mr. Jones Santos Neves (employer, Brazil) and Mr. John Svenningsen (worker, Denmark). ■

Protection of workers' claims

Continued from page 3

ers' claims by privilege and the other to protection by a guarantee institution, ratifying States being free to accept the obligations of one or both parts.

Protection by privilege would guarantee that workers' claims arising out of their employment are paid out of the assets of the insolvent employer before non-privileged creditors can be paid. Workers' claims would be given a higher rank of privilege than most other privileged claims. Privilege would cover, at least, claims for wages, holiday pay and other types of paid absence for a prescribed period of not less than three months prior to the insolvency or the termination of employment.

Protection by a guarantee institution would guarantee payment of these same claims, and would cover a period of not less than eight weeks.

Under both systems, claims may be limited to a prescribed amount, which would not be below a socially acceptable level.

Workers would receive timely information and be consulted with regard to insolvency proceedings.

The proposed Recommendation would acknowledge that guarantee institutions, if properly designed, afford greater protection. It sets out in more detail the range of claims to be covered by both systems. ■

Social progress at the core of restructuring

Structural adjustment programs to build the foundation of lasting recovery must be undertaken universally and can succeed "only if public opinion, especially the workers in all our countries, are convinced of the equity, the legitimacy and inescapability of the sacrifices and efforts they entail for peace, democracy and development in the world," Mr. Michel Camdessus, Managing Director of the International Monetary Fund, told the Conference.

This was an "absolute prerequisite" for meeting the tremendous challenge of achieving economic growth with social progress, he told delegates. "I am persuaded that, with your action and that of the ILO, the world can meet the challenge."

Affirming that social progress was at the core of the IMF's strategy, Mr. Camdessus welcomed the ILO's special emphasis on labor market policy in structural adjustment. Properly functioning labor markets greatly facilitated macroeconomic adjustment, the efficient use of human resources and improvement of the position of the poor.

Programs of structural adjustment and of transition to market economies must have social "safety nets", he stressed.

No-one was in a better position than the ILO to help establish many of the new structures, such as mechanisms for encouraging social dialogue and building tripartite consensus; reform of labor law; creation and strengthening of free and independent organizations of employers and workers; labor market institutions; social security protection; and development of small businesses and management training, all key elements of structural adjustment.

Sacrifices and courage were needed to bring about lasting growth and a rise in living standards. Success depended heavily on the quality both of the social partners, who must be assured that both the costs and the benefits reflected the priorities of society as a whole.

Another basic truth, Mr. Camdessus said, was that the effort of countries "to accept this harsh but indispensable discipline cannot be long maintained unless it is supported . . . by the world community." This effort must meet with a corresponding co-operative effort by the rest of the world.

Preoccupation with major new investment requirements created for example by restructuring in central and eastern Europe and the effects of the war in the Gulf did not mean that the developing countries would be "left to founder in mid-stream", he said. The world economy could meet all these challenges, on two conditions: "adjustment must be universal, and all governments must compete in eliminating non-productive spending."

"The ILO can make an important contribution in resolving social and employment questions connected with disarmament and with the ending of regional conflicts," he added.

"Can there be any greater challenge than helping to put to work men who have been fighting for too long." ■

Photo: D. Bregnard ILO

Resolutions: adjustment, equality

In a resolution concerning structural adjustment, industrial relations and economic and social development, the Conference noted the serious adjustment problems encountered by many countries, particularly developing countries and those in central and Eastern Europe. It called upon governments of ILO member States to increase the flow of official and private sector resources to permit them to resolve their principal economic, social, financial and trade problems, and to assist countries encountering difficulties in their transition to a market economy. It stressed the role of sound and constructive industrial relations and collective bargaining embodied in ILO standards, as effective means for ensuring the active support and participation of workers and employers in the process of economic growth and national development. It urged the Organization to step up its action to promote effective growth-oriented transition programs, and to continue to emphasize the key role of sound industrial relations and the active participation of the social partners in their implementation.

A resolution concerning ILO action for women workers noted that progress in achieving equality of opportunity and treatment was still very slow for the majority of working women. It appealed to governments and employers' and workers' organizations to take steps to eliminate barriers to the equal participation of women in employment and to help women and men to reconcile work with family responsibilities. It urged governments to ratify and implement relevant ILO Conventions and asked the ILO to strengthen its action in this field and to pay increasing attention in all its activities to issues of equal opportunity and treatment for men and women. ■

'A vehicle of change'

The Conference reaffirmed the importance of international labor standards "both as a vehicle of change and hope and as a useful framework for the process of reform and restructuring."

Fifty-one governments provided information to and participated in discussions of the Conference concerning the discharge of their obligations arising from ILO standards or compliance with Conventions they have ratified. While noting progress in a number of countries in meeting the obligation to submit newly-adopted standards to their legislatures, it regretted failure to submit by six countries.

The Conference drew attention to two cases of non-compliance with ratified ILO standards. On Panama, it expressed "deep concern faced with the continuing number of

Continued on page 6

Facing new challenges

Photo: J. Maillard/ILO

Profound changes taking place throughout the world offer the ILO a unique chance to modernize itself and further universally its fundamental objectives, Director-General Michel Hansenne told the Conference.

"We must be capable of co-operating with the governments and social partners of developing countries, as well as those of Central and Eastern Europe, in order to help them set up quickly new structures and find fresh solutions for new problems," he said in his reply to the general debate.

He welcomed the atmosphere of tolerance, seriousness and will for dialogue rather than confrontation that presided over the debates.

A long road remained to be covered yet to achieve democratization, Mr. Hansenne observed. Tripartite dialogue was more than ever necessary to meet demands for greater democratization and greater enjoyment of basic human freedoms. There will be a need for strong and free employers' and workers' organizations; mechanisms for collective bargaining and tripartite consultation; labor administrations that heed the aspirations and realities of the working world, a new social legislation and reforms guaranteeing both social justice and economic progress.

This involved an "immense challenge" to the ILO, which must equip itself to respond more quickly to urgent needs, provide flexible responses and strengthen its presence in the field.

Referring to the address by Mr. Michel Camdessus, Mr. Hansenne stressed the convergence between the objectives of both organizations and the need to "extend and emphasize" co-operation with the Fund.

A very broad consensus had emerged from the debate on the informal sector, the main theme of the Director-General's report to the Conference. In order to extract the informal sector from the vulnerable and isolated situation in which it found itself, he pointed out, the root causes of the problem had to be attacked by reforming in depth the economy as a whole, including the rural sector.

The problem of regulation was at the heart of the debate: "How far can we go in regulation or deregulation if we wish to bring the informal sector into the fold of the law?" he asked, noting that there were divergent opinions on this issue. He said three requirements had to be met: full application of standards on basic human rights, simple rules and a flexible administration; and preservation of acquired social rights.

Mr. Hansenne welcomed the open attitude of employer and worker representatives in this respect. "If they are prepared to meet this challenge, open themselves up to the informal sector, defend its interests, and help it to overcome the many obstacles that prevent it from integrating with society, one must be optimistic about its future." ■

'A vehicle of change'

Continued from page 5

serious divergencies" between national law and practice and Conventions Nos. 87 and 98 on freedom of association, the right to organize and collective bargaining. It asked the Government to adopt measures "in the very near future" to implement the Conventions.

On Thailand, it expressed deep concern for the lack of effectiveness of measures taken by the Government to ensure the protection of children in the framework of the Forced Labor Convention (No. 29). Lack of adequate sanctions against those who were responsible for cases of abuse was noted. The Government was urged to take all necessary measures to eliminate child labor in the country and (as in the case of Panama) to consider receiving ILO assistance to ensure that real progress would be achieved.

Discussing the effect of ILO standards on human resource development and paid educational leave, the Conference agreed unanimously on the universal relevance of these standards, on their interest to all countries and all categories of the working population, and on their value in "meeting the challenges posed by development, technical change and restructuring in a world which is ever more interdependent and competitive."

Great expectations of freedom and justice have been awakened in the world, the Conference said, and it was "more important than ever to make sure that the social aspects of restructuring and economic development are given full weight by all ILO constituents in order to minimize the social costs of necessary structural adjustment in developing countries and counter the increase of inequity and prejudicial treatment in the developed countries." ■

Turning point in history

The International Labor Organization is at a turning point of its history and should pull together in the face of impending change, said Mr. Yvon Chotard of France on being unanimously elected Chairman of the ILO Governing Body in June.

"Changes modifying the environment in all our countries and all continents pose many questions about the mission of our Organization," he said. "These questions are proof of the ILO's timeliness."

After reaffirming his attachment to the ideals of the ILO, to tripartism and to the autonomy of the government, employer and worker groups, Mr. Chotard stressed the need to adapt the ILO's mechanisms to present-day challenges – to "preserve what needs to be preserved, and change what needs to be changed."

Standard-setting and technical co-operation activities should be able to meet the new requirements made of the ILO, and the Organization's specificity in the labor and social field must face up to the great economic choices of our time, he said.

Mr. Chotard was for more than 40 years a leading figure in French employer circles before he became representative of the Government of France at the Governing Body in 1987.

Mr. Jean-Jacques Oechslin (France) was re-elected Employer Vice-Chairman and Mr. John Morton (UK) was elected Worker Vice-Chairman.

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Tribute was paid to the qualities of the outgoing Chairman, Mr. Gerd Muhr of Germany, on his retirement from the workers' benches. Mr. Muhr has been a worker member of the Governing Body since 1970, was elected Worker Vice-Chairman in 1980 and became Chairman in June 1990. ■

Forestry looks to its future

In spite of technological change and its often positive effects on conditions of employment and work, forestry and the wood industries remain unattractive for young job seekers. An effort is needed to improve the image of the industry by promoting its positive aspects in order to attract adequately skilled workers in sufficient numbers.

The measure was recommended by the ILO's tripartite Forestry and Wood Industries Committee at its second session last April, which also said that career prospects for workers should be enhanced and safety and health conditions be improved.

All parties concerned, it said, should endeavor to ensure that tropical and temperate forests are utilised rationally and with due regard to the environment.

Since the image of the industry also depends on the working conditions that it offers, employers, in consultation with workers, should ensure that safety and health standards keep pace with changes in work organization and methods and production processes, especially the introduction of new technology and new substances.

Employment levels, the Committee said, can be increased by emphasising the processing of wood, developing new and competitive products and stepping up marketing efforts, particularly in timber producing countries.

Training policies should take account of career prospects and link training, skills and wages. Training should be multidisciplinary in order to facilitate occupational mobility and flexibility as well as innovation at the workplace. Given that the industry's activities should be environmentally sustainable, reforestation and plantation management skills need to be developed.

In the safety and health sphere, the Committee noted the rapid advance of wood harvesting mechanization in industrialized countries and the growing use of chainsaws and tractors in developing countries. These processes result in higher productivity and reduce the physical effort required but also change the working environment. While progress has been achieved in reducing accident hazards, noise and vibration caused by machines, further improvement of machinery design is essential. The reduction of fatal and other accidents remains a major issue both in industrialized and developing countries.

Proper training, the Committee stressed, is a prerequisite for both higher productivity and safety. The social partners should cooperate closely in carrying out programs at all levels of company management for the prevention of occupational accidents and diseases.

After a thorough discussion on the role of contract labor and its conditions of work, the Committee adopted a resolution urging the ILO to verify that member States ensure that legislation concerning conditions of work also covers contract workers and enforce its application.

A second resolution noted increased internationalization in the forestry and wood sector and asked the ILO to promote the implementation of its Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, especially as regards the holding of meetings of workers' representatives.

Another resolution stressed the importance of ecologically sustainable development and full utilization of forests to provide for resource security and jobs. ■

Photo: W. Stone/ILO

The elderly: an intolerable burden?

Continued from page 1

cess. It must be acknowledged, however, that the family policies adopted – in France, for example, or in some countries of central and east Europe – have only very partially reached their objectives in encouraging a rising birth rate.

Concerning health care, whose cost effect on social security expenditures is self-evident, the study concludes after a concise analysis of the factors of inflation that the role of ageing in this regard is often exaggerated. "It has been calculated that changes in the age pyramid cannot alone account for more than a small portion of the growth of medical expenditure observed in the past, and that the same holds good for the future. Demographic changes will have far less impact on the health sector than on retirement pensions."

It is unquestionably in this field that the major problem is found. When the number of pensioners increases more rapidly than the number of people of working age, it is logical to expect some difficulty in financing pension schemes, the study says.

Certainly other factors also play a role in the present difficulties of retirement funds, notably the maturing of pension schemes, the extension of coverage to large groups of the population, improved coverage of claimants (widows in particular), and the subsidization of pension schemes with a diminishing number of contributors in branches which are losing ground as a result of technological change.

"The financial pressure on all systems may also be increased by widespread and lasting unemployment," the study observes. In this respect the authors show that if the rates of activity of the over-55 could be restored to their level of the beginning of the 1960s, the increase in the dependency ratio between the non-active and the active population – a major factor in determining the cost of pensions and related benefits – "would be much smaller than if high rates of unemployment were to persist." In the United Kingdom the ratio would even decrease.

To maintain economic growth and employment at their best level possible seems therefore an urgent necessity for all European countries grappling with the ageing problem. At the same time, measures should be taken to adapt pension schemes to the new demographic situation. They should be oriented either toward financing sources, or toward the benefits offered, or in both directions.

After reviewing all possible options and initiatives already taken concerning the financing of pension schemes and granting of benefits, the authors stress the necessity of not losing sight of the fundamental objective of promoting social justice, and to this end, respecting the following basic principles:

- a fair and equitable distribution between all citizens, at any given time, of the financial support required by pension policies;
- the allocation of resources in a way that ensures the protection of those categories of the population with the greatest needs;
- the spreading, as equitably as possible, of the cost of pensions between successive generations;
- consideration of the social protection of the elderly not in isolation but within the broad framework of all social security needs of the population.

In the long run it is, of course, for the governments and peoples of Europe, guided by these principles, to seek "solutions compatible with both moral and financial necessities" so that the health and more generally the interests of the elderly are not sacrificed "on the altar of economic rationalism as applied to social security", the study concludes. ■

* *From pyramid to pillar: population change and social security in Europe*. ILO. ISBN 92-2-106456-5.

'Decade of opportunity' beckons for Latin America

The burden of Latin America's "lost decade" as the region struggled to restructure its economy obscures the fact that it was a period rich in lessons learned from experience – notably that economic policy must take full account of its social consequences.

For ILO researchers this is the key lesson. They are optimistic that it can transform the 1990s into a decade of opportunity.

"It is not over-optimism," says ILO employment specialist Victor Tokman. "It grows out of examining what really happened in the '80s. At this moment, several countries in the region are showing signs of growth, of profound structural changes. But there is something even more important: the decade ended with a universal recognition that the social costs have been very high, and this leads to the conclusion that no-one today can pursue economic policies that fail to anticipate their social repercussions."

This is the core message contained in an ILO report* being examined in Caracas this month by a Tripartite Symposium on Structural Adjustment, Employment and Training in Latin America and the Caribbean.

The Symposium is the second regional meeting called by the ILO to follow up the landmark High-Level Meeting on Employment and Structural Adjusment held in Geneva in 1987, where world attention was drawn to the heavy cost that adjustment was imposing on the poor and a call was issued for policies designed to lay foundations for future growth of employment and incomes.

The Caracas report maintains that lingering pessimism over the region's future is largely due to two factors. One is the on-going social impact of the economic contraction of the early 1980s. Another is the fact that the continuing struggle of Brazil, Argentina and Peru with serious short-term imbalances tends to overshadow the achievements of other countries.

Chile, Mexico, Costa Rica and Jamaica are among those which have applied stabilization policies successfully while at the same time pushing ahead with structural reforms. Colombia has made permanent adjustments which, though insufficient, have enabled it to avoid economic contraction. Employment recovery trends have begun to emerge; urban unemployment rates in Colombia, Chile, Uruguay and Venezuela have been cut by between three and 10 per cent since 1985, the report notes.

A key issue now is to identify those elements of the readjustment process most in need of rectification if modernization with equity is to be achieved.

The report points out that the challenge is to overhaul labor institutions in order to guarantee protection to all and to introduce flexibility in those segments of the labor market where it is required. "Essentially," the report says, "this entails ensuring conditions to boost productivity while at the same time maintaining certain minimum levels of protection which will establish acceptable social limits for economic reform."

Photo: M Traitenberg/ILO

The heavy social costs of adjustment were not foreseen in the early 1980s, and compensatory measures were not envisaged. This could not happen now. The decade has shown that economic policy must take full account of its social consequences.

The report elaborates other labor policy measures to give high priority to job creation and to ensure that wage systems guarantee minimum levels of subsistence while providing incentives to increase productivity.

Compensatory measures such as unemployment insurance and the targeting of social spending are needed to relieve the cost of adjustment borne by lower income groups. Permanent mechanisms are required to guarantee access to future benefits and as a means of involving the entire population in the transformation process.

In this latter respect the so-called "lost decade" has left another positive legacy – the resurgence of democracy. This has left its mark on national approaches to adjustment by leading to a revival of dialogue and participation in the labor field, says the report. "The social partners have made great progress in this area; trade unions, organizations of employers and political parties showed the maturity needed to confront the challenge of economic restructuring while at the same time re-establishing basic social rights."

Such are the main grounds of Victor Tokman's optimistic outlook for the 1990s.

"If there is one region in the world where conditions exist for overcoming poverty," he observes, "that region is Latin America.

"Poverty is not going to disappear in a year or two. But the resources are there. The immediate task, which cannot be delayed, is to tackle the worst problems associated with economic adjustment – and this means a preferential option for the poorest.

"Once every Latin American feels he has a chance of advancing into the future, once he knows that his children will have more possibilities than he had, then the lessons of a difficult decade will bear fruit in a new era of opportunities." ■

* *Employment policies in economic restructuring in Latin America and the Caribbean*. ILO, 1991. ISBN 92-2-107959-7.

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